
Why Founders Benefit From Going to School



By [Henrich Greve and Francisco Veloso](#) , INSEAD

A new survey debunks the idea that an MBA won't help you become a successful entrepreneur.

“If you intend to found a tech start-up, I believe that an MBA is a complete waste of money,” [said David Cancel](#), the CEO and founder of Drift. He is just one of many entrepreneurs in the Silicon Valley ecosystem – including Tesla and SpaceX CEO Elon Musk and former Facebook COO Sheryl Sandberg – who have questioned the value of acquiring an MBA if you want to helm a successful start-up.

Although an MBA has long been seen as an important step on the journey to traditional leadership roles – MBA graduates comprised [nearly 40 percent](#) of C-suite executives on the 2022 Fortune 1000 list – it hasn't quite attained the same status in start-up circles. According to a 2023 study, [less than a third](#) of unicorns based in the United States have a founder who attended business school.

We live in a fast-paced, VUCAD (volatile, uncertain, complex, ambiguous and disrupted) world. Companies must be flexible, adaptable and innovative as they navigate everything from digital transformation and the impact of AI to social and political unrest and climate change. This is true for entrepreneurial endeavours across a wide range of industry sectors, not just those venture-capital-backed start-ups in the tech space.

Does this shift towards dynamism mean there is no longer a place for a traditional MBA in furthering entrepreneurial aspirations? Or can founders still benefit from attending business school?

The value of an MBA

While it may be true that you don't *need* an MBA to become an effective entrepreneur, many individuals with such aspirations view it as important to advancing their goals. Indeed, a 2021 [survey](#) of MBA students showed that more than 80 percent of respondents were drawn to entrepreneurship.

A [new INSEAD survey](#) conducted with members of the school's community also demonstrates that it might be a little premature to write off an MBA education just yet. In fact, based on participants' responses, an MBA can help ensure that any entrepreneurial scheme has a better chance of achieving long-term success, while also being socially and economically impactful.

According to the report, a substantial 73 percent of the students and graduates surveyed embarked on entrepreneurial activities following their INSEAD education. Many of them have done well: More than 17 percent of INSEAD alumni ventures are large-scale organisations employing over 100 people. When INSEAD alumni take over existing firms, they receive immediate results, with 30 percent of them achieving first-year growth of at least 11 percent.

Although the reasons for these successes are difficult to pin down, today's MBA courses clearly do help prepare potential founders with many of the skills needed to be successful. This is especially true in a volatile world that is full of fast-developing challenges. It's therefore vital that all

businesspeople, especially founders of new ventures, possess a set of strong management and leadership skills, as well as a solid command of issues including climate change, social inequality and geopolitics.

The fact that schools like INSEAD maintain close connections to business through executive education programmes gives students an edge. Academic research also ensures that students can identify real-life issues being faced by organisations and wider society. This in turn informs what is taught in classrooms to the next generation of entrepreneurs and business leaders. Through developing that understanding, students can better discern the opportunities and solutions required to tackle these issues.

Inspiring new and existing entrepreneurs

Rather than curtail or limit entrepreneurial attributes, the INSEAD report suggests that an MBA education seems to inspire individuals to actively pursue entrepreneurship, even if this doesn't materialise during or immediately after their MBA.

Respondents reported that 86 percent of new ventures and 75 percent of corporate entrepreneurship efforts were initiated during or after their education at INSEAD. Additionally, two-thirds of alumni have explored more than one venture, with an average of 3.5 ventures per graduate.

This entrepreneurial attitude is a core value at INSEAD, where students can access a vibrant ecosystem of programmes and initiatives, all run by the Rudolf and Valeria Maag [INSEAD Centre for Entrepreneurship](#). These include [start-up boot camps](#), [venture competitions](#) and an [entrepreneur-in-residence](#) programme that connects experienced founders and investors with MBA participants.

At INSEAD, in addition to the core general management training, MBA students are given the chance to explore and experiment, receive ample feedback from professors and peers, and engage with an active community of experienced founders. This 10- to 12-month incubation period can increase their chances of succeeding as entrepreneurs. Indeed, INSEAD was [ranked](#) by Pitchbook as the top European business school with the most

alumni founders and the fourth globally among all MBA programmes in 2023.

Study trips and elective courses tailored to regional business environments and industries mean that MBA students can customise their education to align with their career goals and interests. It also equips them with specialised knowledge relevant to specific geographic markets that can be invaluable when starting new businesses.

A network of opportunity and support

Another key feature of an MBA education is the unique network of likeminded yet diverse individuals – many of whom are aspiring or seasoned founders – that entrepreneurs gain access to. Such connections can inspire start-up opportunities and provide a supportive post-graduation network for founders trying to get their innovations off the ground. Successful ventures helmed by individuals who met at INSEAD include sustainability-focused social enterprise ChangeNow, online carpooling platform BlaBlaCar and data analytics company Lynx Analytics, just to name a few.

Another example is Capim, a Brazil-based start-up that offers financial products in the healthcare sector. It was founded by Marcelo Lutz and Roberto Biselli, who met on their second day as MBA students in 2021 and went on to participate in the INSEAD Venture Competition (IVC). The company currently has over 130 employees and has enabled more than 50,000 people to gain access to healthcare solutions.

“Capim was born in the INSEAD entrepreneurship ecosystem,” Lutz said. “After winning the IVC in our first attempt, we used the €40,000 prize money and the remainder of our time at INSEAD to remotely launch the business in Brazil. Mentors and faculty were crucial in helping us during the pilot and fundraising stages.”

It is not only budding founders that recognise the value of an MBA. Many experienced entrepreneurs see a need for additional tools and knowledge, as indicated by the high number of survey participants who were already founders before beginning their INSEAD journey.

In fact, 43 percent of recent INSEAD graduates were entrepreneurs before enrolling in the business school. This means they had prior experience of the challenges start-ups face and believed an MBA education could enhance their skills, capabilities and knowledge to address these effectively. There is no stronger endorsement of the value of the MBA education for entrepreneurship than an entrepreneur entering an MBA programme – and then going on to form another venture.

“I’d spent a decade in banking, and I felt that I’d mastered one stream of knowledge deeply. Yet, to realise my passion for building a revolutionary business in a largely stagnant industry, I needed to accumulate other streams of knowledge – quickly,” said Dima Djani, the founder of Indonesia-based finance company Hijra. Djani graduated from INSEAD’s Global Executive MBA programme in 2018. “Hence, my decision to enrol in business school, where I was not only exposed to various streams of knowledge, but also students and professors from, literally, around the globe.”

Trends in entrepreneurship

The survey revealed other salient insights, including a growing trend among recent INSEAD graduates of incorporating social missions into new ventures. A total of 33 percent of new ventures founded 1 to 15 years ago have a social mission, with an increasing focus on fields such as sustainability and healthcare.

Although profit remains the core objective for most, this shift towards social entrepreneurship is significant. Key examples of such start-ups founded by INSEAD graduates include Cyclecure, which provides sustainable mobility solutions such as e-scooters and e-bikes, and PRONOE, which aims to help restore the ocean's natural carbon capture and storage abilities in a sustainable, scalable and asset-light manner.

The number of acquisitions undertaken by INSEAD students was also notable. A quarter of respondents had engaged in business acquisitions, with most of these typically occurring post-graduation. Of these acquisitions, nearly half experienced revenue growth of 11 percent or greater in their first year of operation, while 80 percent are still active today, indicating a high

rate of success.

It goes without saying that there are many ways for founders to develop the skills and abilities required to spearhead successful ventures. Yet, as our findings show, an MBA education provides a unique and holistic opportunity. Business leaders can sharpen their entrepreneurial skillset, receive a rigorous education grounded in real-world impact and forge connections with fellow entrepreneurs – all of which could prove essential on the road to start-up success.

Access the *INSEAD Alumni Entrepreneurship Report 2024* [here](#).

Find article at

<https://knowledge.insead.edu/entrepreneurship/why-founders-benefit-going-school>

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